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CURRENT MINNESOTA LABOR MARKET CONDITIONS

June 1986 Supplement to the Review of Labor and Economic Conditions

Prepared by Research & Statistics Office, MN Dept. of Jobs & Training, 390 N. Robert St., St. Paul, MN 55101, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics, and Employment and Training Admin.

Nation

The Nation's economy remained sluggish in May as nearly all major monthly economic indicators performed weakly. Also, the growth of real gross national product for the first quarter was revised sharply downward.

Weak labor market conditions were evidenced in May as the unemployment rate rose and both total and nonfarm payroll employment increased modestly. After dropping the last two months, the seasonally adjusted unemployment rate climbed 0.2 of a point to 7.3 percent in May, the same as in February and May 1985. Also, seasonally adjusted nonfarm payroll employment rose by a modest 149,000 in May as the services producing industry increases offset declines in goods-producing industries, particularly in mining and manufacturing. The biggest over-the-month gainers were services [99,000], retail trade [44,000], and finance-insurance-real estate [26,000]. Conversely, employment in durable goods manufacturing fell by 31,000 in May and has declined by 81,000 since January. Half of the May drop in durable goods was in the auto industry. Also, employment in oil and gas extraction decreased by 28,000 in May and by 95,000 since January.

Except for personal spending which rose briskly in May, other economic news was not encouraging. Industrial production, retail sales, housing starts, and personal income all declined in May. The May drop in industrial production was the third in the past four months.

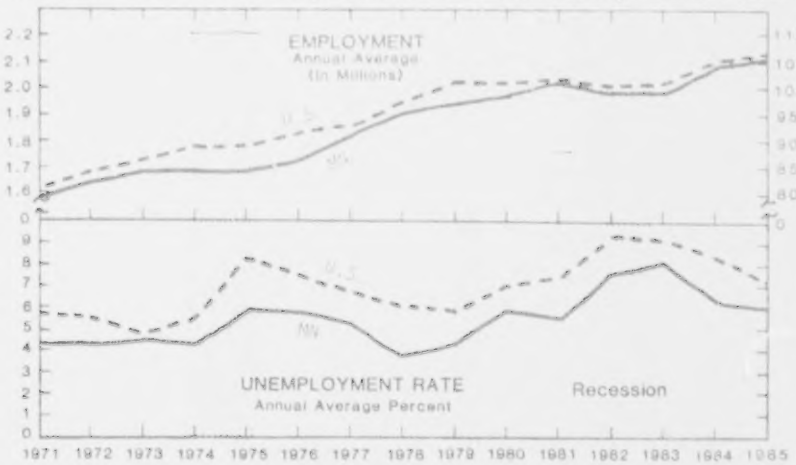
Minnesota

Minnesota's economy improved noticeably in May as the unemployment rate fell further. Both total and nonfarm payroll employment rose after declines in April. Economists still expect economic growth to accelerate in the second half of 1986.

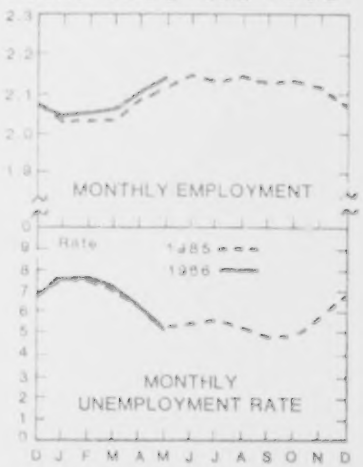
Minnesota's seasonally adjusted unemployment rate dropped a sharp 0.4 of a point to 5.4 percent in May after declining 0.3 of a point in April. The rate is now a full point below January's recent high. Also, although seasonally adjusted employment rose only 700 in May, it came after a decline of 13,300 in April. Furthermore, seasonally adjusted nonfarm payroll employment climbed by a strong 4,200 in May following April's drop of 3,200. The largest over-the-month payroll gains were in services, especially personal and business services; government, particularly state & local education; and retail trade. The biggest over-the-month declines were in nondurable goods manufacturing, particularly food processing and printing & publishing; wholesale trade; and durable goods manufacturing, especially transportation equipment. Employment in transportation equipment has fallen by 1,462 since January. One encouraging sign was that employment in office computing equipment rose slightly in May after dropping in 12 of the past 14 months. Over-the-year, payroll employment was up by 23,672 as large gains in business and health services, government education, retail trade, and finance & insurance offset sizeable declines in computer manufacturing, communications, and metal mining.

Labor Force Estimates	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Millions)		
		Change From			Change From	
		Last Mo.	Year Ago	May 1986	Last Mo.	Year Ago
Civilian Labor Force	2,290.6	12.2	13.0	117.3	0.9	2.3
Employed	2,142.1	7.4	36.0	109.0	0.3	2.2
Unemployed	148.5	+4.8	-23.0	8.2	0.7	0.1
Unemployment Rate						
Actual	6.5	+0.2	-0.6	7.0	0.0	0.0
Seasonally Adjusted	5.4	-0.4	-0.1	7.3	0.2	0.0

MN and the U.S., Employment & Unemployment Rate



MN, 1985 and 1986



Labor Market Conditions

MINNESOTA NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT 1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS 2/					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	May 1986	April 1986	May 1985	April 1986	May 1985	May 1986	May 1985	May 1986	May 1985	May 1986	May 1985
Total Nonagricultural	1,906.1	1,876.5	1,882.2	1.6	1.3						
Manufacturing	366.2	365.6	374.5	0.2	-2.2	411.03	400.39	10.25	10.06	40.1	39.8
Durable Goods	218.4	218.1	227.6	0.1	-4.1	430.13	412.60	10.44	10.16	41.2	40.6
Lumber and Furniture	17.6	17.3	16.6	1.7	6.6	468.84	454.57	11.11	11.06	42.2	41.1
Stone, Clay and Glass	7.5	6.7	8.5	12.0	-11.1	438.95	381.37	10.68	10.42	41.1	36.6
Primary Metals	6.2	6.2	6.3	0.0	-2.0	359.31	418.84	8.85	9.37	40.6	44.7
Fabricated Metals	36.7	36.5	35.6	0.6	3.2	460.32	447.58	11.20	10.89	41.1	41.1
Nonelectrical Machinery	82.0	82.6	91.4	-0.7	-10.2	445.26	430.44	10.86	10.85	41.0	40.8
Office and Computing	41.9	41.9	48.4	-0.2	-13.5	471.44	453.91	11.36	11.18	41.5	40.6
Electrical Machinery	26.9	27.1	28.4	-0.7	-5.3	336.00	308.10	8.40	7.80	40.0	39.5
Transportation Equipment	7.5	7.6	7.7	-1.6	-3.3	539.61	500.98	12.52	11.57	43.1	43.3
Scientific Instruments	28.2	28.2	27.6	-0.1	2.0	410.20	398.05	9.79	9.78	41.9	40.6
Miscellaneous Manufacturing	5.8	5.8	5.5	-1.4	4.4	375.06	367.47	9.40	9.51	39.9	38.5
Nondurable Goods	147.8	147.6	146.8	0.2	0.7	387.22	383.52	9.98	9.91	38.8	38.7
Food and Kindred	42.3	42.0	42.3	0.7	0.1	353.99	334.57	9.10	8.69	38.9	38.5
Textiles and Apparel	4.4	4.4	4.7	0.8	-6.6	250.79	234.21	6.67	6.33	37.6	37.0
Paper and Allied	32.3	32.1	33.2	0.5	-2.8	506.75	495.23	11.98	11.68	42.3	42.4
Printing and Publishing	44.3	44.8	42.8	-1.2	3.5	362.16	381.19	10.06	10.53	36.0	36.2
Chemicals and Petroleum	10.5	10.2	10.2	2.4	2.6	483.62	442.09	11.71	11.08	41.3	39.9
Rubber, Plastic and Leather	14.0	14.0	13.6	0.2	3.0	308.27	319.42	8.07	8.34	38.2	38.3
Nonmanufacturing	1,539.9	1,510.9	1,507.8	1.9	2.1						
Mining	8.5	7.9	9.8	7.1	-13.6	507.74	521.80	13.12	12.98	38.7	40.2
Metal Mining	6.3	6.2	7.7	0.9	-18.7	557.94	547.67	14.38	13.83	38.8	39.6
Construction	75.1	65.4	72.3	14.9	3.9	559.63	555.17	14.65	15.21	38.2	36.5
Transport., Comm., & Pub. Util.	99.1	97.9	99.5	1.2	-0.6						
Transportation	66.2	65.0	65.0	1.8	1.7						
Trucking and Warehousing	26.2	25.8	26.7	1.6	-1.9	394.06	395.26	12.20	11.49	32.3	34.4
Communication and Public Util.	32.9	32.9	34.5	0.0	-4.6	547.79	534.90	14.01	13.24	39.1	40.4
Trade	473.1	465.4	468.2	1.7	1.1	236.68	229.98	7.76	7.59	30.5	30.3
Wholesale	116.8	116.2	116.7	0.5	0.2	414.22	384.72	10.46	9.89	39.6	38.9
Retail	356.3	349.2	351.6	2.0	1.3	186.09	185.15	6.67	6.66	27.9	27.8
Building Materials	17.8	16.9	17.9	5.2	-0.8	316.92	319.29	8.34	8.70	38.0	36.7
General Merchandise	49.0	48.5	48.4	1.0	1.3	185.46	169.74	6.60	6.31	28.1	26.9
Food Stores	47.7	46.8	46.6	1.9	2.3	207.94	205.92	7.22	7.15	28.8	28.8
Automotive	40.2	39.5	38.9	1.8	3.3	343.13	351.54	9.15	9.30	37.5	37.8
Apparel	17.6	17.6	17.8	0.5	-0.9	120.89	117.68	5.52	5.23	21.9	22.4
Home Furnishings	14.5	14.5	13.7	0.5	5.8	234.56	250.92	7.33	7.64	32.0	32.7
Eating and Drinking	122.8	119.3	121.6	2.9	1.0	104.88	104.42	4.60	4.56	22.9	22.9
Fin., Insur., Real Est.	115.2	114.8	110.3	0.4	4.5						
Finance	53.8	53.8	51.4	0.0	4.7						
Insurance	42.3	42.2	40.2	0.1	5.3						
Real Estate	19.1	18.7	18.7	2.1	2.1						
Services	449.1	443.9	435.9	1.2	3.0						
Personal Services	22.1	22.4	21.6	-1.5	2.0						
Business Services	81.4	80.0	77.0	1.7	5.7						
Repair Services	19.3	19.4	18.7	-0.5	3.4						
Health Services	141.9	141.6	139.3	0.2	1.9						
Hospitals	49.5	49.4	49.8	0.2	-0.6						
Nursing Homes	40.6	40.5	39.8	0.3	2.0						
Legal Services	13.1	13.0	12.4	0.7	5.7						
Private Education	26.0	26.4	25.3	-1.6	2.8						
Government	319.8	315.7	311.8	1.3	2.6						
Federal	33.3	33.2	32.0	0.3	4.0						
State	80.7	79.3	78.4	1.7	2.9						
Education	45.0	43.9	42.7	2.5	5.6						
Local	205.8	203.1	201.4	1.3	2.2						
Education	110.9	110.0	107.4	0.8	3.2						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Selected Minnesota Program Statistics

Characteristics of the Insured Unemployed

Tables 1 and 2 provide data on persons who filed a claim for unemployment compensation in Minnesota during the month. Only those claiming benefits from the regular State program are represented since data on the characteristics of Federal employees and veterans are not available.

The total number of claimants of unemployment benefits declined more steeply than they normally do in May, dropping 16,504 or 31.4 percent. The average percentage drop between April and May over the past eight years was 26.6 percent. All industries showed larger than average percentage decreases in May. The largest over-the-month declines were in construction (8,836); manufacturing (2,853); and retail trade (1,187). Also, seasonally adjusted data show that total claimants fell for the second consecutive month in May. Over-the-year, the total number of claimants rose by 2,170 or 6.4 percent. The biggest over-the-year increases were in services (907); retail trade (588); and construction (348). Although total claimants have exceeded their year earlier levels for eighteen straight months, the over-the-year gains in percentage terms this year have thus far been much smaller than those of last year.

Table 1. Distribution of Insured Unemployed, by Age and Sex, May 1986

Age Groups	Number	Percent Distributions		
		Men of Totals	Men of Men	Women of Women
TOTALS	36,059	66.4	100.0	100.0
Under 45	27,060	67.0	75.7	73.7
Under 25	5,039	65.7	13.8	14.3
25-34	13,323	68.2	38.0	34.9
35-44	8,698	65.8	23.9	24.5
45 and Over	8,999	64.5	24.3	26.3
45-54	5,082	63.7	13.6	15.2
55 and Over	3,917	65.6	10.7	11.1

TABLE 2. Distribution of Insured Unemployed by Industry and Occupation, May 1986

Industry and Occupational Attachment	Number	Percent of Total	Percent Long-Term1/ Unemployed	Women as Percent of Total
Total, All Industries	36,059	100.0	29.1	33.9
Ag., For., Fish.	369	1.0	32.9	22.2
Mining	580	1.6	62.1	7.0
Construction	6,168	17.1	30.7	4.6
Manufacturing	12,700	35.2	28.4	36.9
Public Utilities	1,795	5.0	31.2	23.5
Wholesale Trade	2,417	6.7	28.3	26.7
Retail Trade	4,230	11.7	31.0	42.8
Finance, Insurance, Real Estate	1,008	2.8	31.0	58.7
Services	5,857	16.3	24.6	56.1
Public Admin.	483	1.3	26.4	41.4
Info. Not Available	446	1.3	3.4	33.2
Total, All Occupations	36,059	100.0	29.1	33.9
Prof., Tech., Mgr.	5,898	16.4	29.1	39.2
Clerical	4,260	11.8	28.7	80.2
Sales	1,749	4.9	30.3	34.8
Services	2,231	6.2	26.4	53.1
Farm., For., Fish.	338	0.9	25.9	9.0
Processing	1,944	5.4	23.7	36.9
Machine Trades	2,571	7.1	29.4	15.2
Benchwork	4,196	11.6	30.1	59.8
Structural Work	7,658	21.2	29.3	2.3
Miscellaneous	5,028	14.0	31.1	15.1
Info. Not Available	186	0.5	45.2	35.5

1/ Long-Term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

Job Service Applicant Supply and Demand

Table 3 compares Job Service (J.S.) job applicants with the J.S. job openings that existed at the end of the month. These comparisons are expressed as supply/demand ratios. Other things being equal, the greater the ratio of applicants to openings, the greater the competition has been for work within that occupational category. To put these ratios into context, the reader must remember that not only do job seekers and employers in general find jobs or recruit workers through other means, but those interested in certain kinds of jobs are particularly unlikely to use the J.S. For example, workers seeking professional and Managerial jobs are least likely to use the J.S., wehereas employers usually recruit construction workers through union halls and hire teachers directly. Thus, the main value of Table 3 is that it reflects, for broad occupational groups, the relative labor market conditions that those using the J.S. encountered when seeking work.

Table 3. Experienced Supply/Job Openings Demand

Occupation	Applicants (Supply) May 1986	Job Openings (Demand) May 1986	Supply/Demand Ratio	
			May 1986	May 1985
Total	103,278	10,823	9.5	8.4
Prof., Tech., Mgr.	12,547	1,280	9.8	7.4
Clerical	17,655	2,286	7.7	6.9
Sales	5,407	947	5.7	3.7
Domestic Services	1,587	152	10.4	10.9
Other Services	15,985	3,154	5.1	4.6
Farm., Fish., For.	2,806	157	17.9	16.0
Processing	1,974	527	3.7	3.7
Machine Trades	6,906	369	18.7	17.3
Benchwork	7,454	396	18.8	10.3
Structural Work	13,717	594	23.1	22.6
Mtr. Frght., Trans.	4,348	349	12.5	13.8
Pkg. & Mat. Hndlg.	11,893	530	22.4	35.8
Other	999	82	12.2	18.2

1/ Inexperienced and improperly coded job applicants are not included in this table.

Analysis of Local Conditions

MINNEAPOLIS-ST. PAUL MSA

By Bruce Steuernagel

Employment and unemployment statistics for the Minneapolis-St. Paul MSA in May were the most positive in many months. Nonagricultural wage and salary employment, adjusted for seasonal factors, increased for the first time since January. Manufacturing jobs were down again, but only slightly. The electronics and computer manufacturing industries continue to trim their work forces. Other parts of the manufacturing sector also experienced cutbacks, but they were not as severe. Transportation equipment, miscellaneous durable goods, paper and printing were among the other industries which had fewer jobs in May. However, the strong residential construction activity continued to bolster employment in the wood products manufacturing industry. Fabricated metal products was also one of the few durable goods industries to add workers in May.

Construction employment rebounded in May as the weather improved from extremely wet conditions in April. The services industries added workers in May, especially in the entertainment and recreation industry group. The local racetrack opened its second season earlier this year. Other service industry groups adding workers were personal and business services. Finally, the government sector added jobs in May primarily in local units as workers were hired for summer street, park, and recreation projects.

The unemployment rate in the Twin Cities area dropped to 4.1 percent in May. The number of unemployed workers dropped by 12.6 percent between April and May, a considerably greater relative decline than usual for these months. Over the past 16 years, the number of unemployed has dropped by an average of 6.2 percent. The unemployment rate also dropped by a greater than average amount in May, 0.6 of a percentage point compared to an average of 0.3 of a percentage point. The May jobless rate is at the same level it was a year ago. This was the first time since December 1985 that the unemployment rate was not higher than the rate a year ago.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	May 1986	April 1986	May 1985	May 1986	April 1986	May 1985	May 1986	April 1986	May 1985
Minneapolis-St. Paul MSA*	1,331,196	1,325,404	1,298,043	54,214	62,050	57,782	4.1	4.7	4.1
REGION II	1,236,741	1,230,088	1,204,776	50,030	56,143	48,095	4.0	4.6	4.0
Anoka	126,540	126,158	123,260	5,755	6,623	5,424	4.5	5.2	4.4
Carver	23,260	23,089	22,660	756	1,029	734	3.3	4.4	3.2
Dakota	127,155	126,705	124,300	4,811	5,628	5,052	3.8	4.5	4.1
Hennepin	578,748	574,992	563,424	23,233	25,453	21,966	4.0	4.4	3.9
Ramsey	279,611	277,433	272,573	11,814	12,819	11,358	4.2	4.6	4.2
Scott	26,096	26,219	25,446	1,094	1,409	1,210	4.2	5.4	4.8
Washington	73,079	72,793	71,182	2,560	3,032	2,431	3.5	4.2	3.4
Chisago*	16,648	16,900	16,293	849	1,273	896	5.1	7.5	5.5
Isanti*	14,656	14,965	14,842	630	668	982	4.3	4.4	6.6
Wright*	37,078	37,490	36,305	1,527	2,371	1,707	4.1	6.3	4.7
St. Croix, WI	25,873	25,971	25,827	1,120	1,379	1,108	4.3	5.3	4.3
Bloomington	50,371	50,029	48,820	2,180	2,356	1,846	4.3	4.7	3.8
Minneapolis	214,835	213,723	207,879	9,596	10,662	7,804	4.5	5.0	3.8
St. Paul	159,805	158,723	155,906	7,535	8,041	7,440	4.7	5.1	4.8

* Chisago, Isanti and Wright counties are a part of the Minneapolis/St. Paul-MN-WI MSA, but are included in Region 7.

Analysis of Local Conditions

MPLS-ST. PAUL NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT 1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS 2/					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	May 1986	April 1986	May 1985	April 1986	May 1985	May 1986	May 1985	May 1986	May 1985	May 1986	May 1985
Total Nonagricultural	1,237.0	1,222.9	1,215.0	1.2	1.8	-	-	-	-	-	-
Manufacturing	251.5	251.4	257.9	0.1	-2.5	443.59	430.00	10.98	10.75	40.4	39.9
Durable Goods	159.0	159.3	164.4	-0.2	-3.3	453.06	439.11	10.97	10.71	41.3	41.0
Lumber and Furniture	8.2	7.9	7.3	4.5	13.3	499.25	500.86	11.53	12.04	43.3	41.6
Stone, Clay and Glass	2.9	2.7	3.0	5.8	-3.6	496.95	416.93	12.21	10.32	40.7	40.4
Primary Metals	4.9	4.9	4.9	-0.5	0.9	347.24	421.74	8.49	9.30	40.9	45.2
Fabricated Metals	30.2	30.0	28.6	0.6	5.5	483.97	476.63	11.69	11.42	41.4	41.6
Nonelectrical Machinery	63.5	64.1	71.0	-1.0	-10.6	471.66	444.57	11.42	10.95	41.3	40.6
Office and Computing	32.1	32.8	39.1	-2.0	-15.5	505.56	456.86	11.98	11.44	42.2	39.8
Electrical Machinery	15.7	15.7	17.3	-0.3	-9.2	341.61	316.95	8.85	8.18	38.6	38.7
Transportation Equipment	4.5	4.6	4.3	-2.5	4.8	649.49	680.62	14.15	14.15	45.9	48.1
Scientific Instruments	25.3	25.3	24.4	0.1	3.4	410.47	407.62	10.11	10.03	40.6	40.6
Miscellaneous Manufacturing	3.9	4.0	3.8	-3.5	3.3	389.58	397.70	9.06	10.25	43.0	38.7
Nondurable Goods	92.5	92.1	93.5	0.4	-1.0	428.22	413.71	10.98	10.82	39.0	38.2
Food and Kindred	18.2	18.0	18.0	1.2	1.1	428.89	401.58	10.41	9.93	41.2	40.4
Textiles and Apparel	1.5	1.5	2.2	2.2	-30.2	266.11	261.79	6.72	6.48	39.6	40.4
Paper and Allied	25.2	25.1	26.0	0.3	-2.9	473.88	442.61	11.53	11.31	41.1	39.0
Printing and Publishing	30.2	30.4	30.2	-0.6	0.2	394.52	410.47	11.02	11.53	35.8	35.6
Chemicals and Petroleum	8.8	8.5	8.5	2.9	3.8	517.45	475.50	12.84	12.12	40.3	39.1
Rubber, Plastic and Leather	8.6	8.6	8.7	0.2	-1.1	391.02	361.56	9.80	9.20	39.9	39.2
Nonmanufacturing	985.5	971.5	957.1	1.4	3.0	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Mining	-	-	-	-	-	-	-	-	-	-	-
Metal Mining											
Construction	48.3	43.3	46.5	11.7	3.9	609.00	561.58	16.24	16.19	37.5	35.9
Transport., Comm., & Pub. Util.	68.8	68.5	67.6	0.5	1.9	413.95	288.44	12.32	11.18	33.6	25.8
Transportation	47.9	47.6	45.4	0.5	5.5	329.06	215.85	10.86	10.22	30.3	21.0
Trucking and Warehousing	16.3	16.3	16.0	0.1	1.8	381.06	395.42	13.05	12.27	29.2	32.2
Communication and Public Util.	21.0	20.9	22.2	0.3	-5.4	526.30	453.70	13.85	12.42	38.0	36.5
Trade	301.8	299.6	296.3	0.8	1.9	259.25	248.00	8.39	8.19	30.9	29.9
Wholesale	78.4	78.6	77.7	-0.2	0.9	441.29	405.50	11.06	10.55	39.9	38.4
Retail	223.4	221.0	218.6	1.1	2.2	205.01	196.01	7.27	7.17	28.2	27.3
Building Materials	10.0	9.5	9.9	4.7	1.1	339.75	339.82	9.06	9.30	37.5	36.5
General Merchandise	35.8	35.4	34.8	1.1	3.0	198.93	179.56	6.98	6.69	28.5	26.7
Food Stores	27.0	26.6	26.4	1.2	2.1	286.79	242.40	8.51	8.33	33.7	29.0
Automotive	23.4	23.1	22.5	1.3	3.7	412.78	394.98	10.45	10.17	39.5	38.7
Apparel	11.4	11.4	11.7	-0.4	-2.4	113.83	111.32	5.58	5.06	20.4	21.9
Home Furnishings	10.4	10.4	9.4	0.1	10.7	184.47	272.30	6.45	8.08	28.6	33.7
Eating and Drinking	76.1	75.1	75.0	1.3	1.4	106.85	99.64	4.87	4.69	21.9	21.2
Fin., Insur., Real Est.	89.3	88.9	84.2	0.5	6.1	329.91	311.95	8.31	8.56	39.7	36.4
Finance	37.7	37.6	35.6	0.1	6.0	363.37	317.55	8.95	8.70	40.6	36.5
Insurance	35.3	35.3	33.6	0.1	5.2	320.72	363.81	7.88	9.04	40.7	40.1
Real Estate	16.3	16.0	15.1	2.2	8.2	215.64	196.60	7.07	6.84	30.5	28.7
Services	304.8	302.0	295.6	0.9	3.1						
Personal Services	16.0	17.1	15.0	-0.9	6.5						
Business Services	69.4	68.5	67.6	1.3	2.7						
Repair Services	14.7	14.7	14.1	-0.2	4.7						
Health Services	79.1	79.2	78.2	-0.1	1.2						
Hospitals	29.2	29.2	29.4	0.2	-0.5						
Nursing Homes	21.6	21.6	21.4	-0.1	0.9						
Legal Services	9.8	9.7	9.6	0.8	2.7						
Private Education	16.6	17.0	16.5	-2.3	1.0						
Government	172.4	169.3	167.0	1.8	3.2						
Federal	19.6	19.6	18.5	0.0	5.8						
State	52.7	51.7	51.6	2.0	2.1						
Education	29.6	28.8	27.9	2.8	6.1						
Local	100.1	98.0	96.9	2.1	3.3						
Education	54.1	53.4	52.1	1.4	3.8						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Analysis of Local Conditions

CENTRAL AND NORTHWEST MINNESOTA

By Ron Daws

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	May 1986	April 1986	May 1985	May 1986	April 1986	May 1985	May 1986	April 1986	May 1985
St. Cloud MSA 1/	88,831	88,279	85,635	4,736	5,854	5,657	5.3	6.6	6.6
REGION 1	41,146	41,851	42,862	3,623	5,278	3,862	8.8	12.6	9.0
Kittson	2,813	2,871	2,997	277	430	259	9.8	15.0	8.6
Marshall	5,442	5,536	5,753	672	999	727	12.3	18.0	12.6
Norman	3,758	3,786	3,986	266	408	280	7.1	10.8	7.0
Pennington	6,266	6,298	6,194	496	666	487	7.9	10.6	7.9
Polk	14,559	14,365	15,054	1,277	1,563	1,402	8.8	10.9	9.3
Red Lake	2,045	2,107	2,081	311	449	259	15.2	21.3	12.4
Roseau	6,363	6,888	6,797	322	763	448	5.1	11.1	6.6
REGION 2	29,723	29,847	31,996	2,613	3,552	2,698	8.8	11.9	8.4
Beltrami	15,836	16,130	16,891	1,222	1,586	1,208	7.7	9.8	7.2
Clearwater	3,671	3,727	3,772	527	810	518	14.4	21.7	13.7
Hubbard	6,195	5,949	6,741	515	716	558	8.3	12.0	8.3
Lake of Woods	1,937	1,902	2,104	117	161	145	6.0	8.5	6.9
Mahnomen	2,184	2,139	2,488	237	280	269	10.9	13.1	10.8
REGION 4	99,808	98,585	101,133	5,770	7,876	6,149	5.8	8.0	6.1
Becker	12,920	12,636	12,694	1,116	1,462	1,114	8.6	11.6	8.8
Clay	27,398	27,522	26,698	1,229	1,627	1,216	4.5	6.6	4.6
Douglas	14,388	14,186	14,549	750	992	844	5.2	7.0	5.8
Grant	3,251	3,163	3,629	207	276	182	6.4	8.7	5.0
Otter Tail	24,817	24,350	25,886	1,619	2,138	1,872	6.5	8.8	7.2
Pope	5,032	4,939	5,281	296	407	310	5.9	8.2	5.9
Stevens	5,769	5,690	5,723	223	327	214	3.9	5.8	3.7
Traverse	2,486	2,465	2,699	120	156	119	4.8	6.3	4.4
Wilkin	3,747	3,732	3,975	210	291	278	5.6	7.8	7.0
REGION 5	57,703	56,034	60,842	4,373	5,732	4,844	7.6	10.2	8.0
Cass	9,252	8,845	10,232	910	1,196	924	9.8	13.5	9.0
Crow Wing	20,203	19,297	20,848	1,356	1,693	1,573	6.7	8.8	7.5
Morrison	13,316	13,169	14,09	986	1,359	1,148	7.4	10.3	8.1
Todd	10,227	10,098	10,732	769	987	806	7.5	9.6	7.5
Wadena	4,705	4,726	4,943	353	517	393	7.5	10.9	8.0
REGION 6E	53,073	52,363	53,800	3,524	4,512	3,567	6.6	8.6	6.6
Kandiyohi	17,663	17,541	18,611	1,091	1,255	1,125	6.0	7.2	6.1
McLeod	15,827	15,576	15,697	815	1,009	838	5.1	6.5	5.3
Meeker	9,805	9,473	8,983	893	1,200	687	9.1	12.7	7.6
Renville	9,788	9,773	10,609	765	1,048	917	7.8	10.7	8.6
REGION 7E	55,204	55,187	55,890	3,316	4,724	4,140	6.0	8.6	7.3
Chisago	16,846	16,900	16,293	849	1,273	896	5.1	7.5	5.5
Isanti	14,858	14,955	14,842	638	888	982	4.3	5.9	6.6
Kanabec	5,913	5,815	6,133	439	627	616	7.4	10.8	10.0
Mille Lacs	8,676	8,488	9,161	585	786	725	6.7	9.3	7.9
Pine	9,111	9,029	9,441	805	1,150	885	8.8	12.7	9.4
REGION 7W	125,909	125,769	121,940	6,313	8,225	7,360	5.0	6.5	6.0
Benton	13,694	13,697	13,193	725	985	859	5.3	7.2	6.5
Sherburne	17,128	17,010	16,284	1,082	1,283	1,024	6.3	7.5	6.3
Stearns	58,009	57,572	56,158	2,929	3,586	3,774	5.0	6.2	6.7
Wright	37,078	37,490	36,305	1,577	2,371	1,703	4.3	6.3	4.7

1/ Benton, Stearns, and Sherburne Counties

ST. CLOUD MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	May 1986	April 1986	May 1985	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	66,011	65,015	64,423	1.5	2.5
Total Manufacturing	11,316	11,328	10,638	-0.1	6.4
Durable Goods	6,207	6,314	6,238	-1.7	-0.5
Nondurable Goods	5,109	5,014	4,400	1.9	16.1
Total Nonmanufacturing	54,695	53,687	53,785	1.9	1.7
Construction	2,516	2,311	3,084	8.9	17.6
Transp., Comm. & Pub. Util.	3,743	3,704	3,684	1.1	1.6
Wholesale Trade	3,264	3,271	3,111	-0.2	4.9
Retail Trade	16,766	16,344	15,237	2.6	10.0
Finance, Insur. & Real Estate	2,243	2,238	2,165	0.2	3.6
Service & Miscellaneous	13,559	13,326	13,451	1.7	0.8
Government	12,604	12,493	13,083	0.9	-3.7

St. Cloud's unemployment rate for May, at 5.3 percent, dropped to the lowest level for that month since May of 1979. Last year the rate was 6.6 percent, the same as for a month ago (April). As the number of jobless dropped by 921 over the year, and by 1,118 over the month, employment during May reached the highest level ever for the St. Cloud MSA. The previous high was reached in June 1984.

As mentioned last month, durable goods manufacturing employment is reduced by about 100 workers due to a seasonal layoff at Franklin Manufacturing, St. Cloud's second largest manufacturer and a builder of refrigeration units. Producers of nondurable goods, however, performed strongly compared with a year ago, employing 16.1 percent or about 700 more workers this May.

The construction industry continues to rebound, reaching levels substantially higher than a month and year ago. Retail trade, also performed strongly, with substantially more workers than a month and a year ago.

Clearly, the nonagricultural sector of the St. Cloud economy is nearly as healthy as it has ever been. Despite minor employment losses in durable goods manufacturing and government, other substantial increases in durable goods manufacturing, retail trade and construction have pushed employment levels to new heights.

Analysis of Local Conditions

NORTHEAST MINNESOTA

By Mike Casey

For the fourth consecutive month, employment levels throughout northeastern Minnesota improved over the previous month while the estimated number of persons without jobs declined. May's level of unemployment stood at 8.9 percent of the regional labor force. This was one-half of one percentage point below the year-ago level and nearly 2¼ percentage points below the May, 1984 jobless rate of 11.1 percent. Not since June of last year has there been a lower rate of unemployment in the region.

Employment gains occurred in nearly all sectors of the economy, according to the survey of nonagricultural businesses selected from employers in the Duluth-Superior Metropolitan Statistical Area, which includes St. Louis County in Minnesota, and Douglas County in Wisconsin. Construction employment increased by a significant rate, due primarily to the seasonal influence of a warming climate. Employment in this industry is expected to have a fairly steady growth throughout the rest of the year because of several large construction projects; in particular, the paper mill project in Duluth which should take about two years for completion. Employment opportunities are also improving in the tourism support industries such as the restaurant/fast food sector of retail trade, and the lodging sector of the service industry, two other growth areas between April and May. And with more interest in vacationing in this country, summer jobs at dining and lodging facilities are expected to be more plentiful than in recent years.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	May 1986	April 1986	May 1985	May 1986	April 1986	May 1985	May 1986	April 1986	May 1985
REGION 3	133,414	134,065	136,487	11,811	14,950	12,771	8.9	11.2	9.4
Aitkin	5,211	5,174	5,560	607	829	717	11.6	16.0	12.9
Carlton	11,163	11,237	11,486	1,129	1,410	1,030	10.1	12.5	9.1
Cook	2,342	2,185	2,597	137	250	215	5.8	11.4	8.3
Itasca	17,110	17,143	17,671	1,857	2,353	1,930	10.9	13.7	10.9
Koochiching	7,764	7,838	8,761	695	848	1,169	9.0	10.8	13.3
[illegible]	4,[illegible]	4,161	4,325	466	626	537	11.3	15.0	12.3
St. Louis	85,706	86,327	86,087	6,920	8,634	7,158	8.1	10.0	8.3
City of Duluth	34,417	34,377	34,757	2,264	2,670	2,546	6.6	7.8	7.3
Balance St. Louis	51,289	51,950	51,330	4,656	5,964	4,612	9.1	11.5	9.0

DULUTH AND DULUTH-SUPERIOR MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT DULUTH			PERCENT CHANGE		EMPLOYMENT DULUTH-SUPERIOR			PERCENT CHANGE	
	May 1986	April 1986	May 1985	Mo. Ago	Yr. Ago	May 1986	April 1986	May 1985	Mo. Ago	Yr. Ago
Total Nonagricultural Wage & Salary	42,190	41,430	41,610	1.8	1.4	85,070	83,510	86,870	1.9	-2.0
Total Manufacturing	3,620	3,550	3,710	2.0	-2.4	6,900	6,750	7,010	2.2	-1.6
Durable Goods	1,680	1,640	1,760	2.4	-4.5	3,800	3,680	4,040	3.3	-5.9
Nondurable Goods	1,940	1,910	1,960	1.6	-1.0	3,100	3,070	2,970	1.0	4.4
Total Nonmanufacturing	38,570	37,880	37,900	1.8	1.8	78,170	76,750	79,810	1.9	-2.1
Construction	1,140	990	1,180	15.2	-0.9	2,640	2,260	2,760	17.3	-4.7
Transp., Comm., & Pub. Util.	3,070	2,960	3,140	3.7	-2.2	5,640	5,660	6,210	3.2	-6.0
Wholesale Trade	1,720	1,690	1,770	1.8	-2.8	3,590	3,520	3,580	2.0	0.3
Retail Trade	9,030	8,790	9,090	2.7	-0.7	18,190	17,700	18,390	2.8	-1.1
Finan., Insur., & Real Est.	1,770	1,780	1,760	-0.6	0.6	3,070	3,100	3,030	-1.0	1.3
Services, Mining, & Misc.	11,890	11,770	11,390	1.0	4.4	25,350	25,090	25,990	1.0	-2.5
Government	9,950	9,900	9,600	0.5	3.6	19,470	19,440	19,840	0.2	-1.9

Analysis of Local Conditions

SOUTHERN MINNESOTA

By Mike Casey

LABOR FORCE ESTIMATES									
AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	May 1986	April 1986	May 1985	May 1986	April 1986	May 1985	May 1986	April 1986	May 1985
REGION 6W	26,384	26,245	28,612	1,571	2,057	1,822	6.0	7.8	6.4
Big Stone	3,456	3,379	3,731	181	226	222	5.2	6.7	6.0
Chippewa	6,606	6,696	7,200	433	622	488	6.6	9.3	6.8
Lac Qui Parle	4,649	4,580	4,921	229	272	273	4.9	6.0	5.5
Swift	5,484	5,476	6,113	440	517	519	8.0	9.4	8.4
Yellow Medicine	6,187	6,114	6,645	288	416	320	4.7	6.8	5.0
REGION 8	65,031	64,008	68,791	3,394	4,323	3,472	5.2	6.8	5.0
Cottonwood	6,391	6,298	6,649	374	452	338	5.9	7.2	5.1
Jackson	6,705	6,545	6,934	575	614	329	8.6	9.4	4.7
Lincoln	3,596	3,526	3,946	184	280	201	5.1	7.9	5.1
Lyon	13,362	13,189	13,777	604	872	597	4.5	6.6	4.3
Murray	5,005	4,891	5,469	280	405	331	5.6	8.3	6.1
Nobles	10,845	10,744	11,502	513	621	579	4.7	5.8	5.0
Pipestone	5,692	5,595	6,098	234	277	294	4.1	5.0	4.8
Redwood	8,691	8,540	9,374	444	584	609	5.1	6.8	6.5
Rock	4,754	4,680	5,042	186	218	194	3.9	4.7	3.8
REGION 9	112,313	111,405	114,606	5,902	7,375	5,945	5.3	6.6	5.2
Blue Earth	27,832	27,654	28,315	1,029	1,372	1,208	3.7	5.0	4.3
Brown	13,832	13,745	13,963	647	895	760	4.7	6.5	5.4
Faribault	9,319	9,370	9,260	621	866	476	6.7	9.2	5.1
Le Sueur	10,926	10,887	11,359	818	1,049	939	7.5	9.6	8.3
Martin	12,872	12,463	12,984	1,018	955	676	7.9	7.7	5.2
Nicollet	14,794	14,665	15,092	545	693	681	3.7	4.7	4.5
Sibley	7,320	7,291	7,804	495	696	505	6.8	9.5	6.5
Waseca	9,608	9,526	9,732	461	516	419	4.8	5.4	4.3
Watonwan	5,810	5,804	6,097	268	337	281	4.6	5.8	4.6
REGION 10	218,182	218,059	220,671	11,095	13,815	11,415	5.1	6.3	5.2
Dodge	8,020	7,859	8,311	508	704	467	6.3	9.0	5.6
Fillmore	10,919	10,843	11,417	639	877	726	5.9	8.1	6.4
Freeborn	17,088	17,061	17,434	860	1,188	996	5.1	7.0	5.7
Goodhue	20,366	20,384	20,420	922	1,149	1,093	4.5	5.6	5.4
Houston	9,385	9,297	9,892	491	591	525	5.2	6.4	5.3
Mower	19,837	19,586	20,266	1,299	1,421	973	6.5	7.3	4.8
Olmsted	57,584	57,498	58,073	2,062	2,511	2,273	3.6	4.4	3.9
Rice	26,010	26,086	26,837	1,446	1,829	1,605	5.6	7.0	6.0
Steele	15,456	15,169	14,940	905	1,060	798	5.9	7.0	5.3
Wabasha	8,991	8,911	9,316	562	742	600	6.3	8.3	6.4
Winona	25,524	25,405	24,963	1,380	1,743	1,357	5.4	6.9	5.4
ROCHESTER CITY	34,905	34,896	35,305	1,359	1,698	1,591	3.9	4.9	4.5

ROCHESTER MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT					
INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	May 1986	April 1986	May 1985	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	55,160	54,540	55,380	1.1	-0.4
Total Manufacturing	10,630	10,640	11,210	-0.1	-5.2
Durable Goods	8,780	8,830	9,490	-0.6	-7.5
Nondurable Goods	1,850	1,810	1,720	2.2	7.6
Total Nonmanufacturing	44,530	43,900	44,170	1.4	0.8
Construction & Mining	1,960	1,570	1,930	4.8	1.6
Transp., Comm., & Public Util.	1,860	1,870	1,890	-0.5	-1.6
Wholesale Trade	1,180	1,170	1,250	0.9	-5.6
Retail Trade	9,750	9,710	10,080	0.4	-3.3
Finan., Insur., & Real Estate	1,520	1,540	1,520	-1.3	0.0
Total Services	22,390	22,360	21,750	0.1	2.9
Health Services	15,490	15,480	15,020	0.1	3.1
Other Services	6,900	6,880	6,730	0.3	2.5
Government	5,870	5,690	5,750	3.2	2.1

For the fourth consecutive month, estimates of total employment increased while the number of persons seeking work declined. Each of the four economic development regions shared in the generally seasonal improvements as the rate of unemployment in southern Minnesota fell to 5.2 percent. This was the lowest regional jobless rate since October of last year, and equal to the rate of one year ago.

Recent employment growth was concentrated in the construction industry throughout the thirty-four county area as construction workers filed some 1,900 fewer claims for unemployment compensation. This one industry accounted for more than one-half of the net drop in claims activity over the month. Reductions were also significant in both the durable goods and nondurable goods sectors of manufacturing. Nearly three-fourths of the improvement in claims filed occurred as the result of workers returning to work in these three important segements of the area's economy.

The outlook for employment opportunities in the southern part of the State is somewhat negative at this time. Estimates of the area's total employment have averaged some 5,500 fewer jobs through the first five months of the year. At a time when the farm situation is creating a demand for off-the-farm employment, the number of jobs continues to deteriorate.